

U.S. DISTRICT COURT
FILED AT WHEELING, WV
DEC - 3 2012
NORTHERN DISTRICT OF WV
OFFICE OF THE CLERK

UNITED STATES DISTRICT COURT

District of _____

UNITED STATES OF AMERICA

V.

JUDGMENT IN A CRIMINAL CASE
(For Organizational Defendants)

CHESAPEAKE APPALACHIA, LLC

CASE NUMBER: 5:12CR30

Jason B. Hutt, Esq.

Defendant Organization's Attorney

THE DEFENDANT ORGANIZATION:☒ pleaded guilty to count(s) One (1) Two (2) and Three (3)☐ pleaded nolo contendere to count(s) _____
which was accepted by the court.☐ was found guilty on count(s) _____
after a plea of not guilty.

The organizational defendant is adjudicated guilty of these offenses:

Title & Section	Nature of Offense	Offense Ended	Count
33 U.S.C. §§ 1311(a) 1319(c)(1)(A) and 1344	Unauthorized Discharge into a Water of the United States	12/01/2008	1
33 U.S.C. §§ 1311(a) 1319(c)(1)(A) and 1344	Unauthorized Discharge into a Water of the United States	12/01/2008	2
33 U.S.C. §§ 1311(a) 1319(c)(1)(A) and 1344	Unauthorized Discharge into a Water of the United States	12/01/2008	3

The defendant organization is sentenced as provided in pages 2 through 5 of this judgment.☐ The defendant organization has been found not guilty on count(s) _____☐ Count(s) _____ ☐ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant organization must notify the United States attorney for this district within 30 days of any change of name, principal business address, or mailing address until all fines, restitution, costs, and special assessments imposed by this judgment are fully paid. If ordered to pay restitution, the defendant organization must notify the court and United States attorney of material changes in economic circumstances.

Defendant Organization's

Federal Employer I.D. No.: 20-3774650

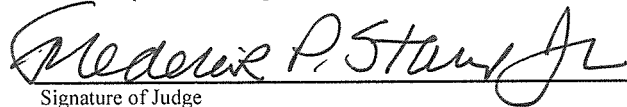
Defendant Organization's Principal Business Address:

P.O. Box 18496Oklahoma City, OK 73154-0496

Defendant Organization's Mailing Address:

Same as aboveDecember 3, 2012

Date of Imposition of Judgment



Signature of Judge

FREDERICK P. STAMP, JR. U.S. DISTRICT JUDGE

Name and Title of Judge

December 3, 2012

Date

DEFENDANT ORGANIZATION: CHESAPEAKE APPALACHIA, LLC
CASE NUMBER: 5:12CR30

PROBATION

The defendant organization is hereby sentenced to probation for a term of :

Two (2) Years as to each of Counts One, Two and Three, to be served concurrently with one another.

The defendant organization shall not commit another federal, state or local crime.

If this judgment imposes a fine or a restitution obligation, it is a condition of probation that the defendant organization pay in accordance with the Schedule of Payments sheet of this judgment.

The defendant organization must comply with the standard conditions that have been adopted by this court as well as with any additional conditions on the attached page (if indicated below).

STANDARD CONDITIONS OF SUPERVISION

- 1) within thirty days from the date of this judgment, the defendant organization shall designate an official of the organization to act as the organizations's representative and to be the primary contact with the probation officer;
- 2) the defendant organization shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 3) the defendant organization shall notify the probation officer ten days prior to any change in principal business or mailing address;
- 4) the defendant organization shall permit a probation officer to visit the organization at any of its operating business sites;
- 5) the defendant organization shall notify the probation officer within seventy-two hours of any criminal prosecution, major civil litigation, or administrative proceeding against the organization;
- 6) the defendant organization shall not dissolve, change its name, or change the name under which it does business unless this judgment and all criminal monetary penalties imposed by this court are either fully satisfied or are equally enforceable against the defendant's successors or assignees; and
- 7) the defendant organization shall not waste, nor without permission of the probation officer, sell, assign, or transfer its assets.

DEFENDANT ORGANIZATION: CHESAPEAKE APPALACHIA, LLC
CASE NUMBER: 5:12CR30

ADDITIONAL PROBATION TERMS

The defendant shall pay any financial penalty that is imposed by this judgment. It shall be a condition of probation that the defendant pay any such fines or restitution in accordance with the Court ordered schedule of payments.

The defendant shall provide the Probation Officer with access to any requested financial information.

The defendant shall inform the Probation Officer and the United States Attorneys Office in writing within 30 days of the receipt of any citation, notice of violation, or similar document by any federal, state or local agency alleging environmental violations occurring within the Northern District of West Virginia, and such notification shall include a copy of said document.

The defendant shall provide the Probation Officer and the United States Attorneys Office with a copy of any report or disclosure that it files with the SEC regarding the resolution of this criminal matter.

The defendant shall permit the Probation Officer physical access to any work site or drill site within the Northern District of West Virginia, subject to any reasonable health and safety policies established by the defendant

DEFENDANT ORGANIZATION: CHESAPEAKE APPALACHIA, LLC

CASE NUMBER: 5:12CR30

CRIMINAL MONETARY PENALTIES

The defendant organization must pay the following total criminal monetary penalties under the schedule of payments on Sheet 4.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
TOTALS	\$ 375.00 (Paid in Full)	\$ 600,000.00	\$ 0.00

☐ The determination of restitution is deferred until _____. An *Amended Judgment in a Criminal Case* (AO 245C) will be entered after such determination.

☐ The defendant organization shall make restitution (including community restitution) to the following payees in the amount listed below.

If the defendant organization makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

The victim's recovery is limited to the amount of their loss and the defendant's liability for restitution ceases if and when the victim receives full restitution.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
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TOTALS	\$ _____	\$ _____
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☐ Restitution amount ordered pursuant to plea agreement \$ _____

☐ The defendant organization shall pay interest on restitution or a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 4 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).

☐ The court determined that the defendant organization does not have the ability to pay interest, and it is ordered that:

☐ the interest requirement is waived for the ☐ fine ☐ restitution.

* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

DEFENDANT ORGANIZATION: CHESAPEAKE APPALACHIA, LLC
CASE NUMBER: 5:12CR30

SCHEDULE OF PAYMENTS

Having assessed the organization's ability to pay, payment of the total criminal monetary penalties are due as follows:

- A ☐ Lump sum payment of \$ _____ due immediately, balance due
- ☐ not later than _____, or
- ☐ in accordance with ☐ C or ☐ D below; or
- B ☒ Payment to begin immediately (may be combined with ☐ C or ☒ D below); or
- C ☐ Payment in _____ (e.g., equal, weekly, monthly, quarterly) installments of \$ _____ over a period of _____ (e.g., months or years), to commence _____ (e.g., 30 or 60 days) after the date of this judgment; or
- D ☒ Special instructions regarding the payment of criminal monetary penalties:
- All criminal monetary penalty payments are to be made to the Clerk, U.S. District Court, Northern District of West Virginia, P.O. Box 1518, Elkins, WV 26241.
- The defendant shall pay a \$375.00 Special Assessment Fee which is due and payable immediately.
- The defendant shall pay a fine of \$600,000.00 which is due and payable immediately.

All criminal monetary penalties are made to the clerk of the court.

The defendant organization shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

☐ Joint and Several

Restitution is to be paid joint and several with other related cases convicted in Docket Number(s): _____

- ☐ The defendant organization shall pay the cost of prosecution.
- ☐ The defendant organization shall pay the following court cost(s):
- ☐ The defendant organization shall forfeit the defendant organization's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.